GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:684
ANSWERED ON:18.11.2016
Defaulting Brokers
Charitra Shri Ram

Will the Minister of FINANCE be pleased to state:

(a) whether Securities and Exchange Board of India (SEBI) has taken/proposes to take action against the defaulting brokers with regard to Rs. 5600 crore National Spot Exchange Limited (NSEL) scam; and

(b) if so, the details thereof along with the action taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) and (b): Securities and Exchange Board of India (SEBI) had appointed auditors to conduct audit of books of accounts of the following five commodity derivative brokers whose names appear in the interim investigation Report as received by SEBI from the Economic Offences Wing of Mumbai Police (EOW) in the National Spot Exchange Limited (NSEL) payment and settlement crisis case:
i) Anand Rathi Commodities Limited;
ii) Geofin Comtrade Limited;
iii) India Infoline Commodities Limited;
iv) Motilal Oswal Commodities Brokers Pvt. Ltd; and
v) Philip Commodities India Pvt. Ltd.

On the basis of the Auditor's Report, SEBI has initiated enquiry proceedings against the aforementioned five defaulting commodity derivatives brokers. SEBI has appointed a Bench of Designated Authorities (DAs) for conducting enquiry. On October 28, 2016, DAs issued Show Cause Notices in the matter.

Besides, the relevant findings of the examination of the aforementioned brokers have been forwarded by SEBI to EOW, the Department of Revenue, the Reserve Bank of India, the Department of Consumer Affairs and the Directorate of Enforcement for taking necessary action.